

## COMMITTEE ON LANDS AND BUILDINGS

**March 21, 2006**

**5:15 PM**

In the absence of the Chairman, the Clerk called the meeting to order.

The Clerk called the roll.

Present: Aldermen Smith, Forest, Roy, Long

Absent: Alderman Thibault

Messrs.: T. Clougherty, H. Ntapalis, R. MacKenzie, J. Beaulieu, T. Bowen,  
D. Anagnost, D. Cornell, P. Borek, D. Clark, F. Thomas

On motion of Alderman Long, duly seconded by Alderman Forest it was voted to elect Alderman Roy Chairman Pro-Tem.

Chairman Roy addressed Item 3 of the agenda:

Communication from Tim Clougherty, Chief Facilities Manager,  
submitting a preliminary structural condition assessment of the Weston Fire  
Station.

Alderman Duval stated back in mid-January in response to number of neighbor's requests to take a serious look at the condition of the Weston Street Fire House, what I believe to be currently Manchester's oldest fire house, I asked to tour the facility with Chief Joseph Kane and he was accompanied by another individual from the Fire Department and they gave me a courtesy tour. I thought the building was still in reasonably decent condition although it has been neglected for a number of years as you well know for us to consider doing something with it in the way of capital improvement and coming before this Board perhaps asking for a study to be conducted so that we can determine a future feasible use for the building. The neighbors contacted me pertaining to the deteriorating condition of the building. It has become an unbelievably huge eyesore and a place for undesirables to hang out. It is getting littered with graffiti. People are starting to store vehicles in and around the building. Recently vandals broke in and started a fire in the basement level. We really have reached a point where I think something should be done. I think it is certainly unfair for neighbors to have to look at this and deal with the nuisances that the building has been attracting. Following that walk through, I contacted Sean Thomas of the Mayor's Office. I

sought their consultation and Sean Thomas was good enough to invite Robert MacKenzie, Planning Director, to join me in a preliminary discussion in terms of what approach we might take to address the condition of the Weston Street Fire House. Following that a number of other individuals were asked to participate in discussion including Leon LaFreniere, Building Director, Tim Clougherty from Public Building Services and also I took it upon myself to contact Harry Ntapalis, the City's Risk Manager, for his input as well. Tim was able to conduct with the assistance of an outside professional a walk through of the building in order to assist us in determining the building's condition. It was Commissioner LaFreniere's opinion that the building was in dire straits and probably had gone over the press with this and it got to the point where it was irreparable and certainly not worthy of a further investment by the City. It was also Tim Clougherty's opinion and I think he can share with you the findings of the engineer that walked through the building. Tim if you would like to inform the Committee of what you found out.

Tim Clougherty, Chief Facilities Manager, stated as Alderman Duval had mentioned we engaged the services of Foley Buhl & Roberts, Rich Roberts from that firm here in Manchester to take a walk through the facility. You have a copy of their letter assessing the condition of the facility hopefully in your agenda in front of you. Some of the highlights of the report concern the structure. The vehicle bays are extensively but poorly shored. Damage to the exterior brick walls including cracked windows, window head arches, exterior wythe separation and damage at door jambs and mortar loss. Interior basement brick piers have extensive mortar loss, they are out-of-plumb and one of the things that I find most deciding is that the foundations are questionable. The framing is currently relatively light for anything but residential light office use, which would be consistent with construction of that period. Mr. Roberts came out with the statement that overall the building structure is in an advanced state of deterioration and that repair and renovation, while possible, did not appear to be an economically defensible or practical course of action. I think that all involved would have to agree with that assessment.

Chairman Roy stated in reading the report and knowing this building, I am going to speak freely to the Committee and the public. It pains me that a building of this stature has gotten to this condition. I think it is prudent for City officials to take a look, no matter what the action is here this evening, that no other buildings get left to literally fall apart and decay the way this has. This is in a great area in a great ward and I think we should take a look at other buildings to make sure that we are never in this situation again. That being said, are there any questions of the Committee?

Alderman Forest asked wasn't there a group up there that was trying to collect funds to repair that building and if so what happened to it.

Mr. Clougherty answered I am not personally aware of that group.

Alderman Duval stated early on when I started looking at this I made a courtesy phone call to Mr. Stiles who had participated in that group discussion. I also called Captain Roy of the Fire Department. He was involved in an open exchange of dialogue pertaining to the future use of that building and ideas as to what it might be used for. Regrettably the hope was abandoned because they recognized that it would be impossible to raise the funds needed without considerable City support.

Alderman Smith stated this building in dire need of repair in 1982 and every aspect of the report that we have is very negative so I think we should move on and see what we can do about demolishing the building.

Chairman Roy asked is there a recommended course of action, Alderman Duval.

Alderman Duval stated it is a strong feeling that I have that the neighbors...the timing of this or the clock started ticking on this a number of years ago not tonight. The building, as Alderman Smith has said, has been in deplorable condition for so long that really we owe it to the neighborhood to begin the process of accepting the fact that it no longer is useful and has become an unbelievable nuisance for the neighborhood and we should make a move to demolish the building. It is regrettable. I hate to say that because I know a number of people were eager to do something with it and restore it to its historical stature but it doesn't look like we are able to do that. I think with the exposure it represents on the liability end for the City of Manchester alone I think we ought to make a move to immediately bring it down and make that land contiguous with the rest of the vacant land that is there for the school.

Alderman Forest duly seconded the motion to start the process to demolish the building.

Chairman Roy asked does that motion include sending it to CIP for funding for this demolition or where will the funds be available from.

Alderman Lopez stated I believe the Building Department would take care of that. They usually take care of demolishing buildings along that line. I think that it should be referred to Leon LaFreniere. If he can't get the funds he has a special fund for demolishing buildings. He should weigh in on this anyway. Do you agree with that Tim?

Mr. Clougherty responded I haven't personally been involved with demolishing structures just for the sake of demolishing them. When we did those on Douglas Drive and things like that they were more project specific so I am not particularly familiar with what the precedent is.

Chairman Roy stated the Clerk would like to guide us.

Deputy City Clerk Johnson stated it is my understanding that the Committee wishes to recommend that the building be demolished. In the past there has been an appropriation made to the Building Department for demolition purposes. I am not sure what their balance is at this time. I am sure if it is not adequate Leon will make the Board aware of that so the motion as I understand it would be to recommend to the full Board that the building be demolished and that Mr. LaFreniere work with the Public Works Department in making sure that the building comes down and come back to the Board if there are funding issues.

Alderman Duval stated I can't underscore enough the significance of doing this in a timely fashion. Without fully exposing the City to liability I just want to say that it is an attractive nuisance and I just hope it doesn't languish somewhere and that we do it on a timetable that will minimize that exposure.

Alderman Smith asked, Harry, since safety is in your realm and as the building stands it is in deplorable condition would you like to weigh in and try to expedite this so that it will be demolished in a timely fashion.

Harry Ntapalis, Risk Manager, stated we can talk with the appropriate departments that are going to be involved in the demolition of that particular building. There may be some things still left. The last time I was in there they had secured certain types of City...there were some contents that were stored in the facility. There wasn't much and that may have already been cleaned out but if that is the case the first thing would probably be to get rid of any of the inventory that exists. As Alderman Duval mentioned the big concern obviously in expediting this is the attractive nuisance. If there are youngsters and individuals that may be apt to go there we will do everything we can to facilitate that move.

Alderman Smith stated the main reason is that McDonough School is up there and I hate to have any youngster go in there and get hurt. I understand there is asbestos and everything in there and safety is everybody's responsibility. The sooner that comes down the better off we are going to be.

Alderman Forest stated I have a question for the Clerk. Would it be advisable to put before the BMA tonight?

Deputy City Clerk responded the Chairman just asked and I guess the Clerk would be prepared to bring that in tonight if you so desire and we will indicate it as an emergency situation as well so the Building Department won't be as restricted, perhaps, on the procurement process.

Alderman Forest stated the second thing is that Leon LaFreniere will most likely be at the BMA meeting and this will save us a step in expediting this request.

Alderman Long stated I read that there was some asbestos on the property.

Mr. Clougherty responded it appears that there was asbestos pipe covering insulation that is in the basement that has deteriorated over time so it is basically lying on the ground on some of the pipe.

Alderman Long asked but that is only in the basement and covered.

Mr. Clougherty answered that is all we could see at the time.

Alderman Long stated I just need to reiterate then the seriousness of this matter. It needs to be rectified as soon as possible.

Chairman Roy called for a vote on the motion to recommend that the Building Department work with the Public Works Department to begin the process to demolish the Weston Fire Station. There being none opposed, the motion carried.

Chairman Roy stated if I could ask the Committee's indulgence we have been requested to take the Bass Island project off the table.

Alderman Long moved to remove Item 9 from the table. Alderman Smith duly seconded the motion. Chairman Roy called for a vote. The motion carried with Alderman Forest being duly recorded in opposition.

9. Communication from Robert MacKenzie, Director of Planning, relative to the Blacksmith Shop on Second Street.

Robert MacKenzie, Planning Director, stated the previous Committee reviewed a request by Jane Beaulieu and For Manchester to look at perhaps reusing the Blacksmith Shop. The invited Families in Transition to perhaps look at it as a development opportunity. We ultimately concluded that that was in a flood plain area and it would be almost impossible to use any federal funds to put housing in what is essentially a flood plain area. So that particular proposal did not go through. We are recommending that the property is on Bass Island and across the

street from Bass Island Park and that there have been funds set aside in the past to acquire the property. The estimated acquisition price is about \$200,000 and we recommended that this property...that the Board authorized Parks & Recreation to enter into an agreement to purchase the property for park purposes. I know that Chuck DePrima is here tonight and he would be able to answer questions of the Committee.

Deputy City Clerk Johnson stated I just want to note for the record that there is also a communication from the Parks Department in support of purchasing the property for Park's purposes and it has been distributed.

Mr. MacKenzie stated if I could I just wanted to talk a little bit about the funding of the \$200,000. \$100,000 is earmarked from a reimbursement from the State DOT. They purchased a property and the City had used SEPP (Supplemental Environmental Protection Program) funds so they reimbursed us. There is another \$100,000 from the so-called SEPP Committee. I understand that they took an action recently to look at acquiring a different piece of property but I don't think they recognized that the City was this close to purchasing the Bass Island piece and we would work with that committee to find alternative monies on the other parcel that they are looking at. We would have to go back to the SEPP Committee and reconfirm. I think if the Board of Mayor and Aldermen were in consensus and fully supportive of acquiring this that the SEPP Committee would then revert to their original conclusion.

Alderman Forest stated I know that this has come up before and I know a couple of times the BMA voted it down but I know the last time with the \$100,000 this was supposed to be matching funds and I understand that no longer applies. I really would not like to see the City spend taxpayer's money to buy this so I would be opposed to this project unless they come up with funding to purchase it on their own.

Alderman Long asked, Bob, did you say \$100,000 from the SEPP Committee. Could you explain that?

Mr. MacKenzie answered the SEPP Committee...a number of years ago the City was under order from the Environmental Protection Agency to do something with certain projects in the City. As part of the final agreement with them a SEPP Committee was formed and this includes representatives from the City, the state and the federal government. Money was set aside to do certain conservation projects again as a result of that lawsuit. They had certain guidelines under which they had to spend money. I did hear Alderman Forest's concern about taxpayer's money but this would not involve any taxpayer's money. These are funds that have to be used for conservation. We are under order by the federal government

to accomplish this. I think it is probably a fair use of those funds given that they have to be used for conservation purposes.

Alderman Long asked did I hear correctly that the two sources of revenue for the \$100,000 we are not sure if they are still there.

Mr. MacKenzie answered the SEPP Committee moved on when they thought the City wasn't going to acquire the Blacksmith Shop but again there is a City representative on that group and we would work, if the Board approved this, to resolve that problem.

Alderman Smith stated what I am looking at is dated March 13, 2006 and the purchase price is \$200,000. I am also looking at a communication dated November 8, 2004, which says it is \$250,000 to \$300,000. Could somebody explain that?

Jane Beaulieu stated I attended many of the SEPP Committee meetings. I was part of the SEPP Committee when I was on the Conservation Commission and continued attending the meetings. At the last meeting there was \$4,000 set aside for an appraisal for the property – the entire Bass Island property. The SEPP Committee along with and I am not sure who from the City but they agreed and again this is SEPP money set aside for land preservation so an appraisal is an appropriate use of the money so an appraisal is going to be done. The appraisal will be available I think within the month. The appraisal again is going to encompass the entire property but there will be two components to it. One will be Bass Island without the Blacksmith Shop, Mr. McDowell's property and also the Blacksmith Shop so we should know within a month what the appraisal is by an appraiser that the SEPP Committee has acquired.

Alderman Smith stated I have a letter here that was just given to me and I know that Ron Ludwig from Parks & Recreation supports this. As you know this is in my ward and I have supported this from Day 1 to try and acquire green space. I hope that you can solicit the \$200,000 and hopefully that is the price to put this to bed.

Ms. Beaulieu responded the \$100,000 that is SEPP funding is for land preservation. The CIP funds are for land preservation as well so that is \$200,000. If, for instance, the appraised value of both properties comes in at \$600,000...I have a list that I will be presenting to the Chair of other people that we are going to partner up with to raise the money. Trust for Public Lands is a non-profit that works nationwide in assisting municipalities to purchase land for open space and we also have the Piscataquog Watershed Association and the National Parks Service. We also have and I have been in communication with the Mayor's Office

about the Brownfields Program, which is also monies that can be used in the restoration of the property. The NH Division of Historic Resources is on board, the NH Preservation Alliance and then Manchester Parks & Recreation. So between all of these partners we will take on the responsibility to raise the remainder of the funds so there would not be any City funding coming from the taxpayers for the remaining cost of the property.

Alderman Smith stated the only reason why is I go by there everyday and it seems like the vandals are doing a job on the Blacksmith Shop. We have to act very fast or I think we are going to be in trouble with the Blacksmith Shop.

Ms. Beaulieu responded if I could just say I do have a letter from the Netsch family as well about the Blacksmith Shop. The Netsch's have been in a bind for many years. That property when they were using it was used commercially but today because it has been identified as being in a 100-year flood way they cannot sell the property for commercial use. It is only  $\frac{3}{4}$  of an acre. They can't sell the property. They have been paying taxes for many years on a piece of property that they have been trying to sell to be developed commercially because it is commercially zoned and they can't sell it. They are just waiting for the City to act so we can move forward and either restore the building if it can be restored according to the appraisal or deconstruct it.

Alderman Lopez stated I guess once you get the appraisal and since they can't sell it...the question I have Mr. MacKenzie is who is going to be negotiating this. Is this going to be a private party negotiating or the City negotiating?

Mr. MacKenzie responded at this point we are recommending that it go through a normal process where the City negotiates and that would probably be Parks & Recreation and both myself and the City Solicitor's Office would provide support to them.

Alderman Lopez asked if I understand you, Jane, after we acquire the entire property or if and when then your organization is going to restore the Blacksmith Shop.

Ms. Beaulieu answered I am not a member of For Manchester at this point but I would love to be working with Chuck as a private individual who works right now...my background is in grantwriting and fundraising so I would be an individual working with Chuck. It would not be a non-profit.

Alderman Lopez stated you mentioned For Manchester. Do we have any correspondence...Mr. MacKenzie maybe we should get some correspondence from For Manchester if there is any lead in...



Ms. Beaulieu interjected they don't have anything to do with this at this point.

Alderman Lopez asked so nobody has anything to do with it privately.

Ms. Beaulieu answered right except for myself and the City.

Alderman Lopez asked so our obligation as a City is to acquire the land and not to restore the Blacksmith Shop.

Ms. Beaulieu answered correct.

Alderman Lopez stated I just wanted to clear that up because the way the thing reads here we are talking about open space.

Ms. Beaulieu stated I would like to make another comment. On April 5, 2005 the Mayor and Board of Aldermen adopted a Hazard Mitigation Plan and in the plan it states very clearly on several pages that the City agreed that Bass Island should be acquired by the City for flood control. So this is part of the Hazard Mitigation Plan that was adopted by the Board of Mayor and Aldermen. It was recommended that the City purchase this property for flood control and by adopting this plan we do have access to hazard mitigation money in the form of grants so that is another source of funding to acquire it.

Alderman Lopez stated back to it being commercial property and the owners not being able to sell it because of the flood aspects of it...I think Mr. MacKenzie and yourself could probably ask the City Assessors to get involved in this because the appraised value on commercial versus what they can and can't do has to have a less value.

Alderman Forest moved to table this item until the appraisal comes in and it is determined where the funds will come from. There was no second.

Alderman Long asked has there been soil testing. What is our liability if all of the sudden we purchase this and there is hazardous material there?

Ms. Beaulieu answered a representative from the EPA is responsible for the Brownfields Program. There have been communications between herself and the Mayor's Office. They have come down to the site several times and it is a Brownfields site they claim so that is something that through working with the EPA I believe...I am not sure if the EPA is taking the responsibility when we work on the Brownfields Program.

Alderman Smith moved to recommend approval of the Planning Department's recommendation to acquire the Bass Island parcel for park purposes under the direction of the Parks & Recreation Department. Alderman Long duly seconded the motion. Chairman Roy called for a vote. The motion carried with Alderman Forest being duly recorded in opposition.

Chairman Roy stated the one comment that I will make and I did not second Alderman Forest's motion to table but I do believe the appraisal is in order and I would like to see this done with no form of taxpayer funds to have my support when it reaches the full Board. If it cannot be purchased being a commercial property business I would hate to see us write a check for \$200,000 if its value is not there so the appraisal is going to be very important I think.

Deputy City Clerk Johnson stated I just want to clarify that the report would indicate that the recommendation is to purchase it for parks land but that Parks, Planning, Solicitor and the Assessor's Office would work together on a P&S agreement.

Chairman Roy answered yes.

Deputy City Clerk Johnson asked is it anticipated that that would come back to the Board after it is negotiated or are you intending that it move forward because the wording of the report would be different.

Chairman Roy answered I believe it would come back to the full Board.

Alderman Smith asked why would it have to come back to the full Board if the Assessors and P&R agree.

Chairman Roy answered I am just interpreting. So your understanding is it will go to the full Board with this approval and from there they will be able to negotiate and move forward?

Alderman Smith responded whatever you want to do but if the Assessors and everybody else agree that is fine.

Deputy City Clerk Johnson replied we will work the language accordingly.

Alderman Forest asked wouldn't they have to come back to the full Board with a purchase and sales agreement.

Deputy City Clerk Johnson answered it is my understanding that this Committee is recommending that the staff go ahead and negotiate and have executed a P&S agreement.

Chairman Roy asked which would need full Board approval.

Deputy City Clerk Johnson answered of the report but not coming back on a second try as long as the funding was in place. That is why you would have the Solicitor there to insure that all of the pieces are together.

Chairman Roy asked and that is what the maker of the motion feels is appropriation and the person who seconded the motion.

Alderman Smith and Alderman Long both agreed.

Chairman Roy addressed Item 4 of the agenda:

Communication from Robert MacKenzie, Director, advising that the NH Institute of Art has expressed an interest in city-owned property located on Bethel Court to house its student population.

Mr. MacKenzie stated I just wanted to gauge the interest of the Board on a particular piece of property the City owns. The City bought a property right behind the City property as more of a long term investment in case the Library needed to expand in that direction. There are no foreseeable plans that I am aware of but it is reasonable to have property in behind it. There is a three-family building on that property and temporarily the City has reached an agreement with MHRA where they lease it for affordable housing. We have been approached by the NH Institute for Art to potentially use that for student housing. We did bring it to you because of the changes at the Institute of the Art and their college program, I think, has been very beneficial to the downtown. It has been an excellent program. I just wanted to offer this to see if the Board wanted us to proceed with some discussions with them.

Alderman Long stated my concern are the families currently living there. What alternatives do they have?

Mr. MacKenzie responded I think this would be a case that if the Committee...first of all I don't think the City should sell the property to the Institute but if you are interested in I think there could be a longer term lease for student housing. I also think that unless we found alternative housing for the families in there that it would be tough to kick them out for another purpose. In

other words, I think an action would include finding alternative housing for the families in that location.

Alderman Lopez asked the families that have been in there...there hasn't been a vacancy that I know of. Do you know if there has ever been a vacancy since we have owned it?

Mr. MacKenzie answered there was a small period of time after we acquired it and before we reached an agreement with MHRA to manage that property. After that it is my belief that there haven't been vacancies but I am not sure.

Alderman Lopez stated there are 8,000 on the rolls looking for places and I think it serves a great purpose and I think if we give it to...I don't know the complete details but I would like the Committee to look into the fact that if they went this route that you brought to our attention they will probably want it for something like \$1 and we don't know the details and we will displace families in the City of Manchester. I wish the Committee would vote it down.

Alderman Long moved to inform the NH Institute of Art that the Committee is not interested in their proposal for the city-owned property on Bethel Court.

Alderman Smith duly seconded the motion. Chairman Roy called for a vote. There being none opposed, the motion carried.

Chairman Roy addressed Items 5 and 6 of the agenda:

Disposition of city-owned former rail ROW parcel abutting 118 Maple Street.

Disposition of city-owned former rail ROW parcel abutting 399 Silver Street.

Mr. MacKenzie stated these items deal with a rail line property. We had developed, with the assistance of Parks & Recreation and the Solicitor kind of a policy on licensing and these two properties are consistent with that policy. We are not selling the pieces. We would keep the property but license their use in the interim. We believe that these two items do fit the parameters and it might be appropriate for the Committee to authorize the licenses consistent with the policy.

Alderman Forest asked are we going to be charging anything for this or is it just a permit as long as they maintain it.

Mr. MacKenzie replied I can't answer that question although it is a good question.

Alderman Long asked with respect to maintaining the existing portion that is the licensee's responsibility correct.

Mr. MacKenzie answered correct.

Alderman Long asked is there a charge.

Mr. MacKenzie answered I would have to check.

Deputy City Clerk Johnson stated there is no charge.

Chairman Roy stated I would look for a motion from the Committee to stay with the policy. I will be voting against it because I did propose that we license these with a charge and I firmly believe that we are giving away land within the City that is owned by the taxpayer for free just because they abut a rail line that we are keeping for future use. I will vote against this but I would urge the Committee to stay with the policy that was adopted last year.

Alderman Long moved to grant the licenses according to the policy that was adopted. Alderman Smith duly seconded the motion. Chairman Roy called for a vote. There being none opposed, the motion carried.

### **TABLED ITEMS**

7. Communication from Attorney Michael Kasten, on behalf of Steve and Anna Sacco, proposing to enter into a Boundary Line Agreement with the City for property located at West Shore Avenue and Bodwell Road abutting Crystal Lake.  
*(Note: Tabled 4/18/2005 pending review by Alderman DeVries. Alderman DeVries has requested this item be received and filed.)*

This item remained on the table.

8. Discussion of area for dog park.  
*(Note: Tabled 4/18/2005 pending submission of formal layout for the dog park and lease agreement.)*

This item remained on the table.

10. Communication from Russel Johnson, PSNH, seeking authorization to place a padmount transformer and cement slab (8' x 8') approximately five (5) feet from the back of the Visitors Center at Veterans Park.

*(Note: Tabled 7/19/2005 at the request of PSNH pending further discussions with Intown Manchester.)*

This item remained on the table.

11. Communication from Gerald Hebert, Sr., requesting to purchase Lots 246-3, 6 & 7 on Page Street between London and Bridge Streets.  
*(Note: Tabled 7/19/2005 pending additional information from the Board of Assessors and Planning Department.)*

This item remained on the table.

On motion of Alderman Smith, duly seconded by Alderman Forest it was voted to remove Item 12 from the table.

12. Communication from Thomas Bowen, Water Works Director, advising of a request from Dick Anagnost of Anagnost Companies, Inc. and Dick Dunfey of MHRA to purchase 16+/- acres of property at fair market value on Karatzas Avenue for the purpose of constructing additional “workforce housing”.

Deputy City Clerk Johnson stated we do have a communication from Mayor Guinta stating:

To the Honorable Committee:

Last Thursday, March 16, I had the opportunity to meet with Richard Anagnost, Richard Dunfey, Thomas Bowen and William Sanders to discuss the proposed acquisition of 16 acres located on Karatzas Avenue and currently owned by Manchester Water Works. A proposal to sell the property is currently tabled before your committee.

After meeting with these individuals, I am making the following recommendations to the committee:

1. The City will sell 10 acres of the site to the Anagnost Companies and the Manchester Housing and Redevelopment Authority;
2. The City will set aside 6 acres for the Manchester School District which shall be given one year to purchase the property subject to the approval of the Water Commission;
3. If the Manchester School District does not exercise its right to acquire the 6 acres within one year or decides that the parcel is insufficient for its needs, the parcel shall be purchased by The

Anagnost Companies and the Manchester Housing and  
Redevelopment Authority.

I believe this proposal is in the best interest of the City and addresses the crucial need of affordable workforce housing. If all of the due diligence has been performed, I recommend that the committee act upon this proposal at its earliest convenience.

s/Frank C. Guinta, Mayor

Alderman Smith stated I would like to know if anybody has approached the Manchester School District because the last time I heard they wanted to purchase all 16 acres.

Richard Anagnost, The Anagnost Companies, stated that was the Mayor's...the letter that the Clerk just read from the Mayor. We had a large meeting with the School Department present. Planning was there along with Mr. Borek, MHRA, Water Works and myself during which they brought their consultants and we brought our engineers. They made a request to review and look at it. Under further questioning by the Mayor...the Mayor asked what size site a typical school could go on and they responded as small as four acres. Earlier Mr. MacKenzie had made a recommendation to this Board saying that he met with them and thought that six acres would be sufficient and as a result of that meeting that is the proposal before you today. Just to take it one step further when we were originally here to purchase the whole 16 acres this Board voted to approve the purchase subject to us coming back with the appraised value, which is the second thing that you need to look at tonight to make sure it was sufficient to be recommended to the full Board.

Alderman Smith asked so in other words you are saying that the School District agrees with this make up with the other agencies.

Mr. Anagnost answered I am not sure of that. Is there someone from the School District here?

Chairman Roy stated the Mayor's letter does reference Bill Sanders who is the Chief Financial Officer for the School District.

Alderman Smith responded but in the letter it just says to discuss the proposed acquisition.

Sean Thomas, Senior Policy Advisor for the Mayor, stated the purpose of that meeting was to determine whether or not the School District had a need for the

entire 16 acres or if they could just use a portion of it. The School District I think begrudgingly said that the six acres would be sufficient but I don't think they have quite reached the stage where they could even develop the parcel. I am not sure if they know if this is the right parcel for a school. They just wanted to hold on to that section in case they are going to develop another elementary school at that location.

Alderman Smith stated I don't have any problem with this as long as all parties are in agreement. I hate to have a vote and find out the situation is the same as it was at the last meeting. I believe affordable housing is a must in the City so I certainly would concur with that as long as the School District is happy with the six acres or whatever.

Mr. Thomas responded I really can't speak for the School Board and what their position is.

Alderman Long asked is there a division already as to what area is the 10 acres and what area is the 6 acres and has the School Board seen that and approved that.

Mr. Anagnost answered when you are talking about approval I don't what they have approved but we have definitely given it to them and I have a copy here if you would like to see how the division lines up.

Alderman Long asked so we just know there is a division. Okay that's all I need to know.

Mr. Anagnost stated actually it was discussed and sort of calculated by Mr. MacKenzie prior and that is how the division came about to do this. Originally the Water Commissioners had voted to declare it surplus and to sell the whole parcel with a restriction on it that it only be used for workforce housing. Subsequently that is when the issue came up with the School District and that is why after tonight we still have to go back before the Board of Water Commissioners to get their approval for the subdivision as well.

Alderman Long stated the Mayor's letter is dated today. I assume that the School District knows that it is six acres that they are holding on to Mr. Thomas?

Mr. Thomas asked could you repeat the question.

Alderman Long answered the Mayor's letter is dated today and can I assume that the School Board knows what six acres have been allotted to them if they chose to purchase it.



Mr. Anagnost stated we have provided them with a plan that shows that.

Alderman Lopez stated just for information that I am very privileged to as far as the last meeting is concerned because I gave my paperwork to Dick Anagnost who didn't realize there was a letter from the School Department at that time but I think the reflection...I don't recollect the same conversation that Sean just reported to the Committee. I do reflect that everybody was supposed to go back. The School Department has spent money for the appraisal of 14 acres over there. I do not know what the situation is with those funds or the appraisal. I don't know why the School Board is not here to answer questions tonight or why they weren't informed that this issue was going to come up. If they are spending money over there and thinking they have 14 acres and that hasn't even been brought to this Committee I am a little concerned with that for the School District. I agree with what Dick Anagnost and others are trying to do but I still think that the Committee should, if they decide to approve this, make sure that the School Board is on board otherwise we are going to be wasting taxpayer's money for nothing.

Mr. Anagnost stated it was Water Works I believe that expended money for the appraisal and during our meeting with the School District I can represent that they informed us that they had allocated funds...

Alderman Lopez interjected I agree with what you are saying but they are spending money to find out whether or not the dimensions of the school will fit there and how much land they need and they are utilizing the 14 acres. It has nothing to do with the Water Works Department.

Mr. Anagnost responded I was just clarifying that the money that was spent for the appraisal was spent by Water Works and secondly during that meeting the School District...we met with their engineers as well and although they had allocated the funds the engineers hadn't started their assessment.

Alderman Lopez replied I am just surprised they are not here.

Chairman Roy stated as am I, Alderman. I would like at this time to defer to the Clerk as to guidance as to what the Committee's role and possible timeframes are. It is my understanding that we need to at least for either the School District or Mr. Anagnost to purchase this property start the surplus proceedings and then work from there so this isn't something that is going to be resolved in the next five minutes or so. I would defer to the Clerk at this time.

Deputy City Clerk Johnson stated in the first instance the property would need to be declared surplus to City needs. That recommendation would go from here out to the Board of Mayor and Aldermen. In addition, when it was tabled it was also

tabled because a purchase price needed to be agreed on. The disposition ordinance would require that the Board of Assessors give an opinion of value regardless of whatever appraisals are done by anybody else. They can if they want recommend to Lands and Buildings that they would agree that an appraisal conducted through Manchester Water Works would be agreeable but that would be up to the Board of Assessors by the ordinance and would have to then be accepted by this Committee and recommended out to the Board. In addition from what I am reading here if we are holding six acres aside I believe there will be some kind of a subdivision requirement and somebody has to absorb the cost of that. It is a matter of whether the City is going to take the lead on doing that or whether some private entity is. I think those are particulars that also need to be determined as part of the recommendation to the Board so that it doesn't arise after the fact. I don't know that there has been a purchase and sales agreement worked up on any of this but certainly something like that might help the Committee in terms of all of that detail but I think you need to hear from the Assessors or from Water Works in terms of appraisals and purchase prices on this.

Thomas Bowen, Water Works Director, stated there has been an appraisal done and a copy of the appraisal at our last meeting or shortly after our last meeting was forwarded to the Assessors so they do have that information and it was based upon very recent comps, one of which was a very similar public/private partnership. So that information is available and if the Committee would like copies I have a summary of that information. The second issue with regard to the subdivision costs, as far as I am concerned the developer is responsible for that. I don't think he would disagree with that.

Mr. Anagnost stated what we did was we put the subdivision in along with the site plan and they were done simultaneously. We would assume the responsibility of creating the subdivision.

Deputy City Clerk Johnson asked creating and accepting any related costs for the subdivision.

Mr. Bowen answered correct and with regard to a purchase and sales agreement, there has been a purchase and sales agreement executed, which is subject to final amendment that may occur as a result of the discussion with the School District but that has been approved by the Water Board and signed by the developer and MHRA and been reviewed and approved by the Solicitor's Office.

Mr. Anagnost stated that purchase and sales agreement is essentially reflecting exactly what has been discussed here tonight. That we would create the subdivision at our cost along with the site plan. That 10 acres would go for workforce housing and 6 acres would be reserved with the appropriate options

explained in the Mayor's letter that the School District gets a year to look at it. After that, I believe Parks...no well I thought Parks got a period too but anyway barring nothing occurring we would have the obligation to purchase that second 6 acres as a Phase II.

Chairman Roy asked if this Committee was to declare the property surplus this evening with a recommendation to the full Board this would not come up until our first meeting in April.

Deputy City Clerk Johnson answered that is correct but it is my understanding that you are not declaring all 16 acres...you would be declaring in essence 10 acres surplus and recommending that 6 acres be held aside for the purposes of the School District to be purchased within a year the way the recommendations presently are on the table. That would be the first motion you would want to take and I would almost do some of this separately so that it is clear as to what you are doing with it but that would be the first thing you need to do is determine that 10 acres of that property is surplus to City needs and then secondly we would need before you do anything further the recommendation from the Board of Assessors that they would agree that the appraisal price is reasonable and recommend that the appraisal be accepted as a reasonable value of the property. I believe the Assessors are here so they could do that for you at any point.

Chairman Roy asked but the first step would be the surplus and that would not go in front of the Board until the first week of April.

Deputy City Clerk Johnson answered none of this would go before the Board until the first week of April.

Chairman Roy asked so we would be able to make the School District aware and have them come to that meeting and address any concerns they may have.

Deputy City Clerk Johnson answered certainly.

Alderman Smith stated this is a letter to Tom Arnold from Bill Sanders dated January 30, 2006 stating that their interest is in the entire parcel and that the Camp, Dresser & McKee study notes that the parcel contains several acres of wetlands and stating that they will report back to us in April. I would like to table this until I find out for certain because I don't think there has been any input from the School District on this the way I have listened to the conversation tonight.

Chairman Roy stated with all due respect, Alderman, the School Board came into this at the 11<sup>th</sup> hour. I trust the Mayor's Office has done their due diligence in moving forward. This has been on the table. I am somewhat appalled that a

representative of the School District is not here this evening to speak to that. I would like to see this start moving forward. As Alderman Lopez indicated earlier, we have 8,000 families waiting for affordable housing and a developer willing to spend millions to get it done. I would rather put this back on the School District and say be here or lose it instead of delaying and waiting for them again.

Alderman Smith moved to table this item. There was no second.

Alderman Forest stated I just want to say that the letter that is dated today by the Mayor and signed by the Mayor said that he sat down with Richard Anagnost, Richard Dunfey, Thomas Bowen and William Sanders and that is when they came up with this. I am going to go along with the Mayor's proposal and his letter recommending that we do this.

Alderman Forest moved to declare 10 acres of the parcel on Karatzas Avenue surplus to City needs.

Alderman Roy duly seconded the motion.

Alderman Long asked Mr. Anagnost would it be to your advantage to have all 16 acres. If the School Board gets a proposal on 4/1 like it says in our packet and they find out it is non-buildable or it can't be used, how would that affect your plans if you are planning on 10 acres?

Mr. Anagnost answered it actually wouldn't because in anticipation of the agreement that we thought we had before that January 30 memo, we have gone ahead and put our financing in place for the 10 acres on a phased situation so right now I can only use the 10 acres anyway. If the School District voted to give all of the land to the public/private partnership then that 6 acres would be landbanked until Phase I of the project was done anyway. Realistically it is a toss up. It is six of one or half a dozen of another.

Chairman Roy called for a vote on the motion to declare 10 acres surplus to City needs. The motion carried with Alderman Smith being duly recorded in opposition.

Chairman Roy stated just to let the Committee know we are running into Alderman Osborne's Committee time so as soon as we are done this discussion we have to recess.

Deputy City Clerk Johnson stated I would just note that you are probably not going to be able to go back into session tonight because he is saying that he needs

his entire time. I would ask if the Board of Assessors are interested in giving a verbal report to the Committee with regards to accepting the appraisal as a value.

David Cornell, Chairman, Board of Assessors stated we have reviewed the appraisal provided to us and are in agreement that it is a reasonable value.

Deputy City Clerk Johnson stated so the Board of Assessors is recommending to the Committee that they accept the appraisal rather than getting a separate opinion from the Board of Assessors. We need a motion to accept that recommendation.

Alderman Forest moved to accept the recommendation of the Board of Assessors. Alderman Long duly seconded the motion. Chairman Roy called for a vote. The motion carried with Alderman Smith being duly recorded in opposition.

Chairman Roy stated when this does come to the full Board it is going to meet with quite a bit of scrutiny so I would ask that the appraisal, the P&S and possibly a copy of the engineering and a full report from the School Board...either Mr. MacKenzie, Tom Bowen or Assessors...I know Mr. Anagnost can reach out to the School Board as well. Having those ducks lined up will expedite this at the full Board.

Deputy City Clerk Johnson stated the third item would be a motion to move forward with the recommendations and find just cause in selling the 10 acres to Anagnost Companies and MHRA and also moving recommendations #2 and #3 from the Mayor's memo with regard to the School District.

Alderman Forest moved to move forward with the recommendations and find just cause to sell the 10 acres to Anagnost Companies and MHRA and to move recommendations #2 and #3 from the Mayor's memo dated 3/21/2006 regarding the School District. Alderman Long duly seconded the motion.

Chairman Roy called for a vote. There being none opposed, the motion carried.

Deputy City Clerk Johnson stated that is it for Item 12 and the Committee on Traffic is waiting patiently to start.

Chairman Roy asked before I take the motion to adjourn is it possible for this Committee to switch rooms and meet in the conference room to discuss Item 15 which has representatives here this evening.

Deputy City Clerk Johnson answered it is possible to do that, however, I would note that Aldermen Roy and Long are also on the Public Safety and Traffic Committee so they will be unable to attend both meetings at the same time. With

that if you want to take a motion to recess we can reconvene in the other room and I can send a Clerk over there.

Chairman Roy stated why don't we recess and if Traffic gets done early we can reconvene and if not we will reschedule for a time in the very near future.

On motion of Alderman Long, duly seconded by Alderman Forest it was voted to recess the meeting.

Chairman Roy called the meeting back to order.

All members were present.

Deputy City Clerk Johnson stated we would note that Chairman Pro-Tem Roy is still Chair of the meeting.

Chairman Roy called Paul Borek and Mr. Don Clark forward and asked for a motion to remove Item 15 from the table.

On motion of Alderman Forest, duly seconded by Alderman Long it was voted to remove Item 15 from the table.

15. Request to purchase Seal Tanning Parking Lot, the Granite Street Parking Lot and discontinuance and purchase of Phillippe Cote Street.

Paul Borek, Economic Development Director, stated you have before you a letter from Mayor Guinta outlining that the Committee had tabled the discussion after its last meeting subject to the receipt of a letter from Brady Sullivan Properties. The Mayor in his communication has expressed...I don't know if I should speak for you Mayor...

Mayor Guinta interjected you are doing fine.

Mr. Borek stated after extensive negotiations Brady Sullivan Properties has agreed to relinquish their interest in purchasing the parcels mentioned in this petition and the Mayor has committed the City to work with them to develop additional parking. That being the case we would like to continue with this consideration.

Chairman Roy stated at this time I would ask the Clerk for the process of declaring this surplus.

Deputy City Clerk Johnson stated in order to dispose of property the first item would be to declare the property surplus, which has not been done so that would

need to be done. We have a report from the Tax Collector indicating that because they are not tax deeded parcels she has no interest. I believe there is a member here from the Board of Assessors or there was earlier. They need to make a recommendation in terms of appraisal.

Alderman Long asked has there been any change in the pricetag of the property or is it the same proposal that was originally brought in prior to Brady Sullivan showing interest.

Mr. Borek answered the price remains the same and that price is \$635,000 but actually it represents a value of \$1.92 million with the cost savings attributed to the construction work...the retaining wall construction work that the Highway Department will be saved in conjunction with the Granite Street project as a result of 1848 Associates taking on some of that responsibility in preparation for building a future parking facility on Granite Street.

Alderman Long asked do we know what the value of the permits were for that property.

Mr. Borek answered I think you might be referring to parking that occurs on the Seal Tanning Lot presently and I believe something in the range of \$70,000 or so per year is netted.

Alderman Long asked is there any reason that wouldn't be put into the mix. That is something that the...that is \$70,000 that it would seem to me would be put in the mix or whatever calculation you would want to use.

Mr. Borek answered I believe that was included in the mix.

Don Clark, 1848 Associates, stated I believe the appraiser certainly took those numbers into account when they derived the value of these parcels.

Alderman Smith asked Frank Thomas to come forward and talk about the savings in regards to the Granite Street reconstruction.

Frank Thomas, Public Works Director, stated in your agenda there is a letter from CLD. It is the second page dated July 25, 2005 in which is noted a revised estimate of the savings based on actual construction costs. Just to run through it quickly without having to reconstruct the Granite Street lot basically taking it to one grade after we work on the Granite Street widening project was estimated at a savings of \$500,000. In order to do this reconstruction work on the Granite Street parking lot an additional retaining wall would have to be built along the upper end of Granite and Commercial Street and also on Philippe-Cote Street. Along

Commercial Street it was estimated a savings of \$390,000 and another \$320,000 for the section along Commercial Street down to Philippe-Cote Street. In addition there were some other savings that were identified. If Philippe-Cote Street is discontinued and turned over we would be saving approximately \$10,500 in resurfacing costs, which would have to be done in the next couple of years. Also identified in our parking management program was the need to do extensive work on the Seal Tanning Lot. That was identified at \$320,000. There is a potential savings to the City if this project moves ahead of \$1,540,500. In calculating the sales price that number was not used. There was a lower number used, which I believe was \$1.2 million or something along those lines. There is a substantial benefit to the City by us moving forward with the project. The actual number that was included in the calculation for the selling price was \$1,284,500.

Chairman Roy stated at this time we need to recess the meeting again. We are going back to the full Board meeting to take the roll call and take care of the Library Trustees and then come back to this issue for further dialogue.

On motion of Alderman Smith, duly seconded by Alderman Forest it was voted to recess the meeting.

Chairman Roy called the meeting back to order.

All members were present.

Deputy City Clerk Johnson noted that Alderman Roy was still serving as Chairman Pro-Tem.

Chairman Roy stated I would now like to resume the questioning of Mr. Thomas by Alderman Smith who had the floor.

Alderman Gatsas asked Frank can you tell me how many feet are those retaining walls.

Mr. Thomas answered off hand I don't have a length for you. The retaining walls and savings would be along Commercial Street for the width of the lot and down along Philippe Cote Street pretty much the length of the lot. In addition at the very southerly end of the retaining wall along Granite Street it is a little bit shallower.

Alderman Gatsas asked so this would be an offset against the funds that we are in a shortfall now to complete Granite Street.



Mr. Thomas answered it is not an offset. It is an offset in the fact that we do not have to perform this construction on the Granite Street Lot.

Alderman Gatsas stated I guess for Mr. Borek I think the question that I asked of a gentleman that we paid in excess of \$100,000 to for a survey that was just completed of all of the parking in the City when I asked him about selling City land or City parking lots do you remember what his answer was.

Mr. Borek responded I am not sure that I recall.

Alderman Gatsas stated well rather than getting that answer from me what I will do is make sure that the Clerk has it so that you have it verbatim when it comes to the full Board.

Mr. Thomas stated I would just like to add that when we were first proposing this that traffic study was underway. I believe that the Finance Department, Randy Sherman, contacted the consultant and City staff that were reviewing the proposal through Finance asked the question on whether it would be his recommendation for the City to retain ownership of these two parcels and the response that I understand we received back from the parking consultant was no because the lots basically provided a direct benefit to the abutter and as such they did not have a concern.

Alderman Gatsas responded with all due respect, Mr. Thomas, he never related to this Board and I can only tell you there were some gentlemen that sat before us from Autodesk that certainly entertained the idea that they would participate in a public/private entity on a parking garage there. I think a public/private entity on a parking garage would be an asset for the City because obviously we understand when we do parking garages and charge going rates as the two that we have just sold and those parking garages have gone to going rates, they do pretty well and I think that we need to find some sort of revenue that is going to offset what we lost for the Verizon Center when we had those revenues coming in because we are going to see a shortfall of a couple of hundred thousand dollars very quickly with all of the events that are happening at the Verizon Center for the checks that we have to send them. I think that it is important that we have that discussion because the gentlemen from Autodesk were here and I would assume, Mr. Borek...have you had any more conversation with them about a public/private entity?

Mr. Borek replied not in detail no.

Alderman Gatsas stated so I guess we brought them in for a dog and pony show and never followed up on any of the conversation they had with this full Board.

Alderman Lopez stated I totally agree with Alderman Gatsas. The City owns this property and I think the dialogue has not taken place and it is very unfortunate that we haven't contacted the businesses down in the Millyard to see what kind of partnership they would do with the City. I totally agree that we should give up the assets of owning a City parking lot and selling them at this time. The problem here...I mean the parking study might have saved...Frank Thomas is absolutely right about what the parking study said but an economic person came in here and said differently so that is a point and what happens in this economic business is it becomes just one identity and that is the reason, I think, that the former Chairman tried to put an Economic Committee together which nobody seems to want where we can really dig into this information and find out if there are other people out there interested. I totally agree with Alderman Gatsas.

Chairman Roy stated Don Clark you have been very patient and sat through a number of these meetings and your patience tonight is greatly appreciated. My question on this project has to do with the Pandora building and seeing that as an economic development project. Could you update us as to where that fits in and when that will be on our tax rolls as a viable building?

Mr. Clark responded the Pandora building is currently on the tax rolls. Clearly not to its highest and best use and not generating the type of tax income that you would like to receive or we would like to pay. Without the ability to own the Granite Lot and Philippe-Cote Street, Pandora is going to stay in its current condition and continue to deteriorate. We have been working for some time with several different developers including the Roedells on a potential hotel complex and I would say we have had some very good meetings recently and hope to continue that front. The more pressing need right now is to satisfy Autodesk's growth and Texas Instrument's growth and try to accommodate their parking needs and hopefully through that process and coming into ownership of these three parcels we will be able to put a deal together on Pandora.

Chairman Roy stated my viewpoint on this is that that building is an asset to the City and it needs to be redeveloped as early as possible. Earlier this evening we voted to demolish another brick structure in the City with great architectural value and I would hate to get to the point where the Pandora building falls into that category even though it is currently privately owned and not City owned. Mr. Borek, do you have any additional comments?

Mr. Borek stated I just wanted to mention that the parking study conducted by Lansing Melbourne does recommend selling the Seal Tanning Lot, Philippe-Cote Drive and the Arms Lot because of the size of the property and the proximity and value to those properties. Also, I just wanted to mention that the staff has had discussions with DECA, one of the owners in the Millyard, regarding this project

and they propose to construct a deck on the Seal Tanning Lot for Texas Instruments and Autodesk at their expense and they would construct necessary parking to allow the rehabilitation of Pandora at their expense as well. That is in their request and their proposal.

Chairman Roy asked so if my understanding is clear you can forward to all Aldermen the pages that you just talked about in the parking study regarding the sale and if I am clear DECA has committed to a fully private redevelopment project of that area if the City is willing to sell the land. So it is not a public/private partnership but a truly private development?

Mr. Clark answered that is correct.

Alderman Gatsas asked Mr. Borek have you gone by to see the bus terminal that is down on Canal Street. Have you ever been in there?

Mr. Borek answered well I have been by the entrance.

Alderman Gatsas asked have you been in the building.

Mr. Borek answered no I haven't.

Alderman Gatsas stated my suggestion is that this Board take a look at the structure of that building because if we want to talk about a multi-mode transportation venue I can tell you that unless we start thinking about that venue that spot is deteriorating and deteriorating fast. I would think that right now there is no parking that is available for commuters to park there and take a bus and go to Boston. We need to start addressing that and I guess when somebody sits before me and we paid \$100,000 and I ask a direct question about a parking lot it amazes me that it would be in the study when they told this Board that they wouldn't sell any land. I guess that must be in contradiction to the \$100,000 study that we did.

Mr. Borek responded I think I can explain that. The recommendation regarding the parking lots was in the parking study and I believe the consultant that you posed the question to was Hillier Architecture.

Alderman Gatsas replied not it wasn't. It was the gentleman that did the parking study. Thank you.

Chairman Roy stated I would request that Mr. Borek outline for the full Board if it passes this evening the full question and research the minutes as to who it was addressed to. Outline the full project and ask for the consultant's recommendation outlining the tenants and the entire process of what is part of this project and what

is not. I would ask again of Mr. Clark, your two major tenants, Texas Instruments and Autodesk are they in favor of what your plans are for that area?

Mr. Clark answered I believe they are. Texas Instruments will be here shortly to make a presentation to the full Board and that would be a question you could ask them but their primary concern as voiced to me is parking.

Alderman Forest moved on the recommendation of staff.

Deputy City Clerk Johnson stated if you are going to move forward with this you first need to declare the property surplus. You have not received a report from the Board of Assessors and I was kind of hoping that Mr. Cornell would show his face before I had to give a report for him but I guess he has left and hasn't returned yet. He did provide an oral report to the Clerk which indicated that the recommendation of the Assessors is to accept the appraisals that were done as being a value to the property rather than the Board of Assessors setting a separate opinion of value. You would have to accept that recommendation as a Committee in the process of determining it surplus as well. Other reports have already been filed and brought in this evening. That is the only report and since he is not submitting a written opinion of value he is saying that he is recommending that you accept the appraisals that have already been conducted. That would be a separate motion. You really need to act on that first before you can proceed any further because you need to have all reports in order.

Chairman Roy asked Alderman Forest would you like to put the first part of the surplus process in the form of a motion.

Alderman Forest moved to declare the property surplus. Chairman Roy duly seconded the motion.

Chairman Roy stated it is time for us to get out of the land hoarding business. We have a private developer willing to put money into the City. They have already come to us with two excellent businesses not to mention all of the other projects that DECA has going throughout the City. We can talk public and private partnerships all day long but when someone comes and asks to buy a piece of land that the City has that is being mostly exclusively leased by that tenant or those tenants under their control we should move forward to moving towards getting that into private hands, getting it on the tax rolls and getting something like the Pandora building back on the highest and best use tax rolls. That property can generate almost \$200,000 a year at some of the estimated usage. I would strongly suggest that this Committee pass this along to the full Board as surplus.

Alderman Smith stated Frank I am really interested in the Granite Street widening. You are going to save \$1.2 million if this project goes through am I correct?

Mr. Thomas responded that is correct.

Alderman Smith asked do we have sufficient funds to include the bridge and the reconstruction of Granite Street all the way up to Elm Street right now.

Mr. Thomas answered no we don't.

Alderman Smith stated one thing I noticed last August when we had the initial meeting on the proposal, the proposal was for the hotel and now the hotel is in question. That was going to add \$10,000 I think to the tax roll. Now we don't know if the hotel is going to be built or not. Am I correct in assuming that?

Mr. Thomas responded there is no commitment at this time that a hotel will be built. I think what was mentioned by Mr. Clark was that it is like what comes first the chicken or the egg. You need to be able to show the developer who wants a hotel there that you can accommodate the additional parking. If you can't show a developer that fact they aren't going to want to lease the property. So it is like the chicken or the egg. I feel confident that if this property is sold something will happen with that building but I can't guarantee that to you.

Alderman Duval stated Mr. Clark was gracious enough to give me a tour of the premises down there. As a new Alderman I wasn't terribly familiar with the area other than passing by it a couple of thousand times in my life and you were rather clear with the representative from Autodesk in terms of the significance of this parking to your tenants, specifically Autodesk and Texas Instruments. As I recall, Mr. Clark, and you can correct me if I am wrong but there was some urgency. You expressed some urgency in terms of making a determination as to whether they would stay there or stay in the City of Manchester as an employer. This is rather time sensitive. I think that was stressed and impressed upon me very much.

Mr. Clark stated in relation to Autodesk they would like to add more employees but simply don't have the place to park them. They did just agree to lease over 20,000 square feet in Waltham on a short-term basis in the hopes that whatever employees they recruit there can be relocated to Manchester within a few years. As it relates to Autodesk and I hate to say this in front of a commercial broker but their lease is up for renewal presently and if we are unable to address their concerns regarding parking I think the City would likely lose them.

Alderman Gatsas asked what do you pay for rent in the spaces that you are in now.

Mr. Clark answered \$40/month in the Seal lot and currently we don't pay any rent in the Granite lot because it is being used as a construction zone.

Alderman Gatsas asked is that market rate.

Mr. Clark answered considering that we lease 240 spaces in a 142-space lot I would say it is quite above market rate.

Alderman Gatsas stated I think you were in the balcony when I asked the question of Autodesk when Alderman Lopez was trying to get them to Hackett Hill if they were interested in a public/private partnership in a garage. I think they indicated that they were. Maybe I misunderstood what they said but my assumption was that they were interested and I would think that the City if we were going to enter into a public/private partnership because my understanding is there was a parking garage that was going to be paid for with federal dollars that was supposed to be in center field at Fisher Cat Stadium but nobody ever told them when they were laying out the ballpark and we lost those federal funds. Then there was this idea that we were going to stick it on the WMUR parking lot on Granite Street but nobody ever told them about it either. So we had a 600-space garage that was going to be built with access for traffic module so that we could move people around and park them long-term. Now my understanding is that may be back on the surface with Southern NH Planning and if we take a look at the bus station, the Granite Street lot that we are taking about may not be a bad spot to put 600 parking spaces but I would think that we would start doing, as a City, our homework to find out what is available rather than just arbitrarily because we have a dog and pony show in front of us and I appreciate those people as tenants because they are great business partners for the City of Manchester and when they offer me with a balance sheet that I looked at that they were so kind to show us at zero debt I would think that the City fathers would be all over them looking to do a private/public partnership. That is what I think an Economic Developer would do. They were there. They were surfacing...I as a real estate broker some 25 years ago would have been all over their case and I think Mr. Clark would agree. I think if they are willing to stay here and take a long-term lease if they enter into a private/public partnership we should talk to them. That should be your job. That is what you get paid for.

Mayor Guinta stated there are a couple of issues. I am not sure why we would enter into a public/private partnership when right now we have a deal on the table for just private development. The potential buyer of this property is not asking the City to commit dollars for a garage. To me if we enter into a public/private partnership we are now offering dollars that I don't know the City has. I would reiterate...it is probably in the City's best interest to sell the property and allow the

private sector to develop this on their own dime. Regarding the question or the comment that was made at the last meeting by Alderman Lopez regarding relocating a business to Hackett Hill, I don't think it is in order for this Board of Mayor and Aldermen to dictate to a private business where their tenants should be. There is a relationship between a business owner and a business that I believe we should allow the private sector to cultivate. I know that probably the intention of the question was to ask is there a willingness if they leave the City to relocate it at Hackett Hill but we have an opportunity to keep technology companies in the Millyard, which I think is an extremely appropriate place for them. They already exist there. I have met with both of the companies personally. They desire and have expressed an interest in remaining there and to the extent that we can provide an opportunity for Autodesk to get some of the employees they have in Waltham to Manchester that is certainly at the top of my list considering that we would like to diversify the business base and expand the number of high paying jobs we have here in the City. I certainly appreciate the conversation that we are having as a Board and I think generally speaking there is a willingness to do business here but as I indicated in my letter my approach would be let's sell this. We are getting not only a price for the property but we are also getting a retaining wall built at a savings of \$1.2 million. If we don't sell it we then have to come up with the \$1.2 million and that pertains to the question that Alderman Smith was inferring about dollars. Where are these dollars going to come from? From the City's perspective or at least from my perspective I think it make sense.

Chairman Roy stated I am going to take a few more comments. It is nice to have this many Aldermen at a Lands and Buildings Committee meeting but we do have another full meeting this evening.

Alderman Gatsas stated I guess, your Honor, I come back to the same...when you talk about a public/private partnership and you talk about revenue bonds we can build a garage with revenue bonds especially if Mr. Clark's tenants are going to take 300 or 400 spaces and we build a 600 car parking garage we have the access of that garage to then offset whatever needs we may have for the civic center. All I am saying is that at some point...I understand that Mr. Clark rents 140 spaces on 200 spot lot...

Mr. Clark interjected 240 out of 142.

Alderman Gatsas stated there you go and when you look at that number those aren't market rates. Now if you were there and they were market rates and you owned it I don't think you would lease it back to the City at \$40. That is okay and I understand that. Sometimes the City gets into long-term deals because we want to develop things but I think we would look at that spot as a public/private partnership as long as we got market rates because I know what is going to

happen. We are going to go in and there is going to be a garage built and we are going to have to offset what we do with other tenants in the rest of the Millyard. I think that it behooves us to at least have the conversation about a public partnership so that we can move forward. I guess somebody has a rebuttal to what I just said because I saw Mr. Sherman pass notes so I guess I will wait.

Mr. Thomas stated Mr. Sherman reminded me of the fact that we have had consultants look at the Seal Tanning lot. The Seal Tanning lot is not large enough to support a multi-level parking facility or parking structure because of the shape of the lot. A deck is what is feasible for that site and the only way you can gain additional parking. The ideal size of the structure on the Seal Tanning Lot is a deck and that is what the City was planning to build.

Alderman Gatsas responded it is amazing that people can tell me what can be built on that site but they can't tell me how many feet of retaining wall we have.

Mr. Thomas replied if I knew you were going to ask that question I would have been prepared to answer it.

Alderman Gatsas stated I would think that when you come before this Board, Mr. Thomas, you have learned to be prepared for any question.

Mr. Thomas responded I would have to bring my whole file cabinet.

Chairman Roy stated if the Alderman has questions Roc Larochelle from CLD should be able to provide whatever we ask for.

Alderman Lopez stated I don't know if it is a question but I would like to make the comment that I think Alderman Gatsas brings up many fine points. I think the problem that we have here is that everything is piecemeal and the whole picture is not there. I totally agree that the Economic Development Director has an obligation to give us the whole pie. We are getting it piecemeal here. We don't know this or that or whether it is a good deal and I echo what Alderman Smith has said before. This whole deal was contingent upon someone building a hotel. Why can't the whole package come in at one time that if you want to buy this you have to build a hotel and stuff like that? You don't have to answer that but the point that I want to make and I know Hackett Hill has been brought into the equation because I said it...if there is a company down in the Millyard that wants to move and expand and there is no room down there, there is Hackett Hill to go to. That is just an option but I think the most important thing is that there are people in the Millyard that might want to do a partnership and that is the only point I want to make. Let the Committee decide what they want to do. It still has to come before the full Board.



Chairman Roy stated I will remind the Committee that the motion on the floor is just to declare the property surplus. The second motion would be to accept the verbal report from the Assessor so at this time I would like to call for a vote on the motion to declare the property surplus. I do believe we have laid out quite a bit of groundwork for the Economic Development Director, Don Clark representing the owner and Frank Thomas to come back to the full Board with answers. If anything comes out of this, it has definitely been a good dialogue that maybe will open up some eyes and we will be able to work through things at the full Board meeting. At this time I would ask the Clerk to re-read the motion on the floor.

Deputy City Clerk Johnson stated the motion on the floor at this time is to declare the property surplus.

Chairman Roy called for a vote. There being none opposed, the motion carried.

Deputy City Clerk Johnson stated I would like to note that the Board of Assessors have indicated their report as being to recommend that the Committee order an outside fee appraisal, which actually has been conducted by the City but technically hasn't been taken up by the Committee so the motion would be to accept that report to order an outside fee appraisal.

On motion of Alderman Forest, duly seconded by Alderman Long it was voted to accept the report from the Board of Assessors to order an outside fee appraisal.

Deputy City Clerk Johnson stated it is my understanding that the recommendation to declare the property surplus has been found and the other reports have been accepted so the recommendation would then be to find just cause to dispose of the property through sale to the abutter in the amount of \$635,500. It is my understanding that there is no purchase and sales agreement as of yet correct?

Mr. Borek responded that is correct. You might want to make it subject to.

Deputy City Clerk stated the recommendation would be that staff bring forth a purchase and sales agreement and I am not sure at this point if the Committee wants that to be authorized to be executed or come back to the Board so I would need to have that clarification.

Chairman Roy stated I would personally like to see it go straight to the full Board.

Deputy City Clerk Johnson responded I understand that it has to go to the Board. I am talking about the purchase and sales agreement. The recommendation is to dispose of the property and find just cause to sell it to the abutter. My

understanding is the price set forth is \$635,500 and there may be other conditions on the purchase and sales agreement so the recommendation would be that a purchase and sales agreement be established and that the Board authorize execution of that purchase and sales agreement subject to those conditions.

Alderman Forest moved to dispose of the property, find just cause to sell it to the abutter at a cost of \$635,5000, and authorize execution of a purchase and sales agreement subject to any and all conditions. Alderman Long duly seconded the motion.

Alderman Smith asked wouldn't it be beneficial to everybody to find the property surplus, accept the proposed price of \$635,500 and recommend the discontinuance of Philippe-Cote Street and refer it to the Board of Mayor and Aldermen.

Chairman Roy responded I believe that is what the current motion on the floor is.

Deputy City Clerk Johnson stated that is basically what the motion is. We are just indicating that a purchase and sales agreement has to be executed. I was going to take the Philippe-Cote Street separately because that requires separate rules of the Board and you may want to make a separate recommendation on that as well. That is why I didn't bring it into the context quite yet.

Alderman Gatsas asked is there an appraisal on the property.

Mr. Thomas answered there were two full appraisals done. One by the City of Manchester and one by DECA. Then there was a third review appraisal done that was paid for by the City.

Alderman Gatsas asked was there an outside appraiser that did it.

Mr. Thomas answered yes. There were two outside independent appraisers that worked up the numbers.

Alderman Gatsas asked what were the prices. Do we have them? Are they public?

Mr. Thomas answered yes. They were in your correspondence.

Chairman Roy stated so just for clarification, the City paid an outside appraiser to do an appraisal, DECA paid an outside appraiser to do an appraisal and then a third basically arbitrator...

Mr. Thomas interjected a review was done and the appraisers were Bramley by the City, Fremeau by Clark and then Crafts did the review on behalf of the City.

Alderman Gatsas asked so these are numbers from Fremeau.

Mr. Thomas answered that is correct.

Alderman Gatsas stated for the Granite Street lot they came up with a price of \$440,000. How many square feet?

Mr. Thomas responded again I don't have that information. I don't have the appraisal in front of me.

Alderman Gatsas asked how many parking spots there.

Mr. Thomas answered offhand I don't know.

Mr. Clark stated 53.

Alderman Gatsas asked and the price was \$63,000.

Mr. Clark answered \$66,000 and that would include the metered spots that weren't part of the lease.

Alderman Gatsas asked and how many spaces on the Seal Tanning lot.

Mr. Clark answered 142.

Alderman Gatsas asked what is the size of the lot at Seal Tanning. I guess Mr. Clark maybe I should ask you the questions because it looks like you have the answers.

Mr. Clark answered I am sorry that I don't have the square footage in front of me but it is a flat lot at 142 spaces.

Alderman Gatsas stated so if I understood what somebody said to me which was that on Granite Street we couldn't build a garage...is that what was said.

Mr. Thomas responded the Granite Street lot is not feasible for a multi-story garage.

Alderman Gatsas asked what about the Seal Tanning lot.

Mr. Thomas answered both sites were reviewed by our consultants and both were recommended for a parking deck.

Chairman Roy stated just for additional clarification, Mr. Thomas, it is my understanding that to gain access to multiple decks they would actually have to go over Commercial Street and onto additional abutting land for entrance and egress from a multi-story parking deck.

Mr. Thomas responded the problem with the Seal Tanning lot for a multi-structure is there is a ramping system. The lot is not wide enough to accomplish that cost effectively. If you were to build some type of large structure you would have to pick up the land area. The only land area that you would be able to pick up is air rights over Commercial Street.

Alderman Gatsas stated I think it is pretty clear that we are giving away two of the...we are selling two of the most prized possessions down in the Millyard. The closing of Philippe-Cote Street...how many parking meters are there?

Mr. Clark answered 12.

Alderman Gatsas asked and there is no value to closing of the street or discontinuance of the street.

Mr. Thomas answered there is a value placed by the appraisers of \$630,000 on Philippe-Cote.

Alderman Gatsas stated I am looking at a street worth \$630,000 and a parking lot with 142 spaces at \$850,000 that certainly doesn't compute as being...where I have a revenue source of \$40/space and a street that has 12 meters on it I don't know how that value has been...

Mr. Clark interjected in the appraisal they used a value approach to derive the value and an income approach on the value and they produced a document that said if you lease those spaces at \$50/month, this would be the value of the property and those numbers reflect those calculations.

Alderman Gatsas asked so I guess if we had market rate...that is certainly not the market rate. Well, I guess it is market rate, Mr. Clark, if you are controlling 142 spaces.

Mr. Clark answered again currently we are paying for 240 in 142 space lot so clearly we are paying above \$50/month per space.

Alderman Gatsas stated so I guess the interest of you doing this going forward...if we put a parking garage with a second level because I think that was part of the discussion when Alderman O'Neil was on Lands and Buildings some four years ago about putting the second level on that parking lot if I remember correctly.

Chairman Roy stated every Alderman here will have a second bite at this apple when it gets to the full Board so I am going to at the Mayor's request start to move this along. Any closing comments? I would ask the Clerk to re-read the motion on the floor.

Deputy City Clerk Johnson stated I have a motion by Alderman Forest duly seconded by Alderman Long to recommend to the Board that the property be disposed of to the abutter at a price of \$635,500 with any other conditions set forth by staff.

Chairman Roy called for a vote. There being none opposed, the motion carried.

Deputy City Clerk Johnson stated there is one other item in relation to this property and that is Philippe-Cote Street, which would require a discontinuance. Under the rules of the Board normally that request for discontinuance would be submitted to the Clerk and directly to Highway and to the CIP Committee and then have to come back out to the Board for a road hearing. Our suggestion may be that the Committee recommend that Philippe-Cote Street be discontinued and that the Board consider suspending the rules and referring it directly to a road hearing at the earliest possible date to be set by the Clerk.

On motion of Alderman Forest, duly seconded by Alderman Smith it was voted to recommend that Philippe-Cote Street be discontinued and that the Board suspend the rules and refer the discontinuance to a road hearing to be set by the City Clerk.

Chairman Roy stated gentleman we don't have anymore motions but it seems that you are aware of all of the questions and know the discussion that is going to come up in the beginning of April.

13. Communication from City Solicitor Clark enclosing a communication from the State of NH Department of Transportation requesting to purchase city land for the proposed Manchester Airport Access Road.

*(Note: On 11/21/2005 referred to Airport requesting report back and requested Planning and Tax to determine whether or not property is surplus to city needs. Planning recommends it be determined surplus to city needs due to the unique circumstances involved noting the committee may find suitable public purpose for selling the property to the state.)*

*(Tabled 02/21/2006)*

This item remained on the table.

14. Communication from Paul J. Borek, Economic Development Director, regarding the Ash Street School property on Bridge Street.  
*(Note: Tabled 11/21/2005 pending report of School Board action. Enclosed is a copy of a resolution adopted by the School Board on 12/12/2005. Report dated 02/15/2006 submitted by the Director of Planning and Community Development enclosed herein.)*

This item remained on the table.

16. Communication from Angelo Mazzella, General Manager of Manchester Wolves, requesting the use of the JFK Coliseum for practice sessions beginning the middle of March until the end of August.  
*(Note: referred to committee by CIP Committee on 12/19/2005.) (Tabled 02/21/2006 pending report from Parks, Recreation and Cemetery Department. Wolves have withdrawn request per Parks, Recreation and Cemetery Department.)*

This item remained on the table.

There being no further business, on motion of Alderman Smith, duly seconded by Alderman Forest it was voted to adjourn.

A True Record. Attest.

Clerk of Committee